

**!KHEIS MUNICIPALITY**

**FINANCIAL STATEMENTS**

**30 JUNE 2005**

# **!KHEIS MUNICIPALITY**

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**!KHEIS MUNICIPALITY**

## GENERAL INFORMATION

## MEMBERS OF THE COUNCIL

Councillors J Ruiters (Mayor)  
K Esau  
P Galant  
PA Eksteen  
JPS du Toit  
R Burger  
TC Claassen

GRADING OF LOCAL AUTHORITY  
Grade 1

AUDITORS

**Auditor General**

## BANKERS

First National Bank

REGISTERED OFFICE

Municipal offices  
Oranje Street 97  
GROBLERSHOOP

P O Box 176  
GROBLERSHOOP

Telephone: (054) 833 9500

## CITY MANAGER

J Willmsee (Acting) (Leadership and Management Diploma)  
(Education Diploma)

TREASURER

Blom (B Comm)

## APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on pages 4 to 22 were approved by the City Manager on

20 August 2005 and presented to and approved by Council on 25 August 2005

MUNICIPAL MANAGER

Home  
TREASURER

# IKHEIS MUNICIPALITY

## TREASURERS REPORT

### 1. Introduction

It is my pleasure to present an overview of the operating results for the year ended 30 June 2005. The Council's activities during the 2004/2005 financial year resulted in an accumulated deficit of R224447.

### 2. Operating Results

Details of the operating results per department, classification and object of expenditure are included in appendix D and E. The statistics are shown in appendix F. The overall operating results for the year ended 30 June 2005 are as follows:

Income	Actual 2004	Actual 2005	Variance 2004/2005	Budget 2005	Variance Actual/Budget
	R	R	%	R	%
Opening surplus	0	266,710		0	
Operating income for the year	6,612,399	8,233,470	24.52%	9,375,416	12.18%
Closing surplus					
Total	6,612,399	8,500,180		9,375,416	
Opening deficit	-357,780				
Operating expenditure for the year	6,951,087	8,648,761	24.42%	9,375,408	7.75%
Sundry					
Transfers	247,618	-75,866			
Closing surplus	266,710	-224,447		8	

Operating income has increased by 24.52% as a result of an increase in respect income from community, economic and trading services.

The increase of 24.42% in operating expenses was a direct result of an increase of community services expenses.

## IKHEIS MUNICIPALITY

The following is a summary of the operating results for the Municipality.  
**2.1 Rates and general services**

	Actual 2004 R	Actual 2005 R	Variance 2004/2005 %	Budget 2005 R	Variance Actual/Budget %
Income	5,443,100	6,806,409	25.06%	7,471,786	8.91%
Expenditure	5,809,929	7,115,533	22.47%	7,476,987	4.83%
Surplus (deficit)	-366,829	-309,124	-15.73%	-5,201	-5843.55%
Surplus (deficit) as % of total income	-6.74%	-4.54%		-0.07%	

### 2.2 Trading services

Water

	Actual 2004 R	Actual 2005 R	Variance 2004/2005 R	Budget 2005 R	Variance Actual/Budget %
Income	1,169,299	1,427,061	22.04%	1,903,030	25.03%
Expenditure	1,141,158	1,533,228	34.36%	1,898,421	19.24%
Surplus/ (deficit)	28,141	-106,167		5,209	
Surplus/ (deficit) as % of total income	2.41%	-7.44%		0.27%	

## !KHEIS MUNICIPALITY

### 3. CAPITAL EXPENDITURE AND FINANCING

Capital expenditure consists of the following:

Rates and General  
Sanitation  
Water network  
Public works  
Housing  
Total

Actual 2005 R	Budget 2005 R	Actual 2004 R
565,342	3,380,922	680,289
127,300	2,528,449	-
	1,361,667	-
	0	-
	6,499,165	-
692,642	13,770,203	680,289

Resources used to finance the fixed assets were as follows:

Grants and subsidies  
Contributions from operation income  
Loans  
Total

Actual 2005 R	Budget 2005 R	Actual 2004 R
226,267	13,770,203	124,942
38,854	-	164,360
427,521		390,987
692,642	13,770,203	680,289

### 4. External loans, investments and cash

On 30 June 2005 external loans amounted to R867996 (R943 123 in 2004) and internal loans amounted to Rnil


More information regarding loans and investments are disclosed in notes (4 and 7) and Appendix B' to the financial statements.

### 5. Funds and reserves

More information regarding funds and reserves are disclosed in notes 1 to 3 and Appendix 'A' to the financial statements.

### 6. Appreciation

I would like to thank the Mayor, other Councilors, the Municipal Manager and Departmental Heads for the support they have given me and my personnel during the year.

  
Financial Manager

# IKHEIS MUNICIPALITY

## ACCOUNTING POLICIES

### 1. BASIS OF PRESENTATION

- 1.1 The financial statements have been prepared so as to conform to the standards laid down by the Institute of the Municipal Treasurers and Accountants in its Code of Practice for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (2nd edition 1996, as amended).
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in accounting policy note 3. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis as stated:
  - Income is accrued when measurable and available to finance operations. Certain direct income is accrued when received, such as traffic fines and certain licenses.
  - Expenditure is accrued in the year it is incurred.

### 2. CONSOLIDATION

The financial statements include Rates and General services, Trading services and the different funds and reserves. All the inter-departmental charges are set-off against each other, with the exception of assessment rates, refuse removal, sewerage and water, which are treated as income and expenditure in the respective departments.

### 3. FIXED ASSETS

- 3.1 Fixed assets are stated:
  - At historical cost, or
  - At valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation, while they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated life as determined by the Treasurer.
- 3.2 Depreciation

The balance shown against the heading "Loans Redeemed and Other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of this "provision" assets are written down over their estimated useful life. Apart from advances from the various council funds, assets may also be acquired through:

  - Appropriation from income, where the full cost of the assets forms an immediate and direct charge against the operating income, and therefore is unnecessary to make any further provisions for depreciation.
  - Grants or donations, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account.
- 3.3 Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans are repaid within the estimated lives of the assets acquired from such loans or advances. Interest is charged to the service concerned at the ruling interest rate applicable at the time that the advance was made.
- 3.4 All net proceeds from the sale of fixed property are credited to the Revolving Fund. Net proceeds from the sale of all other assets are credited as income to Rates and General services.

### 4. INVENTORY

No inventory is kept as all stores and materials are debited to the relevant expenditure vote when items are purchased.

## ACCOUNTING POLICIES

### 5. FUNDS AND RESERVES

#### 5.1 Revolving Fund

Contributions to the Revolving Fund are calculated at a rate of 7.5% of the property tax levied in the previous year.

### 6. PROVISIONS

Provision are created for liabilities or contingencies which are known or not known at the date of the balance sheet but for which the amounts involved cannot be determined with substantial accuracy.

### 7. RETIREMENT BENEFITS

The Council and its members contribute to either the Cape Joint Retirement Fund or the Imatu Retirement Fund to provide retirement benefits to employees.

Current contributions by the Municipality are charged against operating income on the basis of current service costs.

### 8. SURPLUSES AND DEFICITS

Any surpluses or deficits arising from the operation of Water services are transferred to Rates and General services.

### 9. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The cost of internal support services are transferred to the different services in accordance with the Institute Report on Accounting for Support Services( June 1990).

### 10. INVESTMENTS

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred.

### 11. INCOME RECOGNITION

#### 11.1 Water Billings

All meters are read and billed monthly.

#### 11.2 Assessment rates

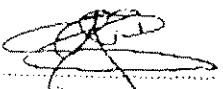
The municipality applies a fixed rating system.



# IKHEIS MUNICIPALITY

## BALANCE SHEET AS AT 30 JUNE 2005

	Note	,2004/2005	,2003/2004
<b>CAPITAL EMPLOYED</b>			
FUNDS AND RESERVES		740,900	700,414
Statutory Funds	1	740,900	700,414
Reserves	2	-	-
RETAINED INCOME/ (ACCUMULATED DEFICIT)	18	<u>-224,117</u> 516,453	<u>268,710</u> 967,124
TRUST FUNDS	3	2,047,743	-
LONG-TERM LIABILITIES	4	476,659	641,023
CONSUMER DEPOSITS: SERVICES	5	<u>11,900</u> <u>3,052,755</u>	<u>7,410</u> <u>1,615,557</u>
<b>EMPLOYMENT OF CAPITAL</b>			
FIXED ASSETS	6	686,818	345,567
INVESTMENTS	7	-	306,897
LONG-TERM DEBTORS	8	<u>82,621</u> 769,439	<u>489,956</u> 1,142,420
NETT CURRENT ASSETS/(LIABILITIES)		2,283,316	473,137
CURRENT ASSETS		5,289,789	2,848,538
Short-term investments	7	1,478,960	-
Debtors	10	3,787,067	2,734,245
Short-term portion of long-term debtors	8	25,582	113,600
Cash at bank		<u>180</u>	<u>693</u>
CURRENT LIABILITIES		3,006,473	2,375,401
Creditors	13	2,072,515	1,835,491
Short-term portion of long-term liabilities	4	191,337	308,100
Provisions		134,352	-
Bank Overdraft		<u>608,269</u>	<u>231,810</u>
		<u>3,052,755</u>	<u>1,615,557</u>

  
 Mnr J. Willemse  
 Acting Municipal Manager

  
 J. Blom  
 Town Treasurer

# IKHEIS MUNICIPALITY

## INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

	2003/2004 Actual Income R	2003/2004 Actual Expenditure R	2003/2004 Surplus (Deficit) R		2004/2005 Actual Income R	2004/2005 Actual Expenditure R	2004/2005 Surplus (Deficit) R	2004/2005 Budget Surplus/(Deficit) R
<b>RATES AND GENERAL SERVICES</b>								
	5,443,100	5,809,929	-366,829		6,806,409	7,115,533	-309,124	-5,201
	4,543,913	5,456,661	-912,748	Community Services	5,323,792	6,806,283	-1,482,491	-1,313,010
	-	-	-	Subsidised Services	-	-	-	-
	899,187	353,268	545,919	Economic Services	1,482,617	309,250	1,173,367	1,307,809
<b>HOUSING</b>								
	-	-	-		-	-	-	-
<b>TRADING SERVICES</b>								
	1,169,299	1,141,158	28,141		1,427,061	1,533,228	-106,167	5,209
	6,612,399	6,951,087	-338,688	<b>TOTAL</b>	8,233,470	8,648,761	-415,291	8
				Appropriations for the year			-75,866	
				Net surplus/(deficit) for the year			-491,157	
				Accumulated Surplus/ (Deficit) beginning of the year			266,710	
				<b>ACCUMULATED SURPLUS/ (DEFICIT) AT THE END OF THE YEAR</b>			-224,447	

# IKHEIS MUNICIPALITY

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

	Note	,2004/2005	,2003/2004
<b>CASH RETAINED FROM OPERATING ACTIVITIES</b>		1,766,860	-719,991
Cash generated by operations	19	2,138,406	304,057
Investment Income	17	-	-
(Increase)/Decrease in working capital	20	-315,956	-990,480
Less: External Interest paid	17	1,822,451	-686,423
<b>Cash available from operations</b>		55,591	33,568
Cash contributions from the public and Government		1,766,860	-719,991
Net proceeds on disposal of fixed assets		-	-
<b>CASH UTILIZED IN INVESTING ACTIVITIES</b>			
Investment in Fixed Assets		-682,642	-680,289
<b>NET CASH FLOW</b>		1,074,218	-1,400,280
<b>CASH EFFECTS OF FINANCIAL ACTIVITIES</b>			
Increase/(decrease) in long-term loans	21	-281,127	949,123
Increase/(decrease) in short-term loans		-	-
(Increase)/decrease in cash investments	22	-1,170,063	-306,897
(Increase)/decrease in cash	23	376,972	758,054
<b>NETT CASH (GENERATED) UTILISED</b>		-1,074,218	1,400,280

# !KHEIS MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	,2004/2005	,2003/2004
<b>1. Statutory Funds</b>		
Revolving Fund	740,900	700,414
	<u>740,900</u>	<u>700,414</u>
(Refer to appendix A for more detail)		
<b>2. Reserves:</b>		
-	-	-
	<u>-</u>	<u>-</u>
<b>3. Trust funds:</b>		
EPWP Project	252,388	-
DWAF - Water	243,120	-
One Stop Service Centre	1,032,366	-
Financial Management Grant	6,865	-
Siyanda DM - Lightning project	341,193	-
SJG Kruger - House Wegdraai	8,000	-
Upgrading Water Purification 04	132,822	-
IDP	30,989	-
	<u>2,047,743</u>	<u>-</u>
<b>4. Long-term Liabilities</b>		
External loans	667,996	949,123
	<u>667,996</u>	<u>949,123</u>
Less:		308,100
Short term portion	<u>191,337</u>	<u>308,100</u>
	<u>476,659</u>	<u>641,023</u>
External loans were advanced by Development Bank of South Africa.		
Internal loans are advanced by the Revolving Fund. The loans bears interest at of 3% to 13% and is repayable over periods between 1 and 30 years.		
None of the loans are secured by any assets of the municipality.		
(Refer to Appendix B for more detail on long-term liabilities)		
<b>5. Consumer Deposits</b>		
Water	<u>11,900</u>	<u>7,410</u>
<b>6. Fixed Assets</b>		
Fixed Assets at the beginning of the year	10,245,805	9,565,516
Fixed Assets acquired during the year	692,642	680,289
Less: Fixed Assets written off or sold	-	-
Total Fixed Assets	<u>10,938,447</u>	<u>10,245,805</u>
Less: Loans redeemed and other capital receipts	<u>-10,251,829</u>	<u>-8,900,238</u>
Net Fixed Assets	<u>686,618</u>	<u>345,567</u>
(Refer to Appendix C for more detail on fixed assets)		

# IKHEIS MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	,2004/2006	,2003/2004
<b>7. Investments</b>		
Unlisted - Fixed Deposits, savings and special savings	1,476,960	306,897
	-	-
	-	-
	<u>1,476,960</u>	<u>306,897</u>
<b>8. Long-term Debtors:</b>		
F Ferrus - Vehicle loan	-	221,871
B April - Vehicle loan	-	250,274
J Blom - Vehicle loan	108,203	131,411
	<u>108,203</u>	<u>603,556</u>
Less: Short term portion of long-term debtors	25,582	113,600
	<u>82,621</u>	<u>489,956</u>
<b>9. Stock:</b>	-	-
<b>10. Debtors:</b>		
Consumers	5,922,047	4,823,730
Property Taxes	340,766	303,834
Thumelo Youth Trust Farm	39,850	29,024
Other	887,737	622,098
	<u>7,190,400</u>	<u>5,778,686</u>
Less: Provision for bad debts	-3,403,333	-3,044,441
	<u>3,787,067</u>	<u>2,734,245</u>
Suspence Debtors	-	-
<b>11. Deferred charges:</b>		
No deferred charges for the year	-	-
<b>12. Provisions:</b>		
Lease accruals	134,352	-
Bad Debts	-	3,044,441
	<u>134,352</u>	<u>3,044,441</u>
<b>13. Creditors:</b>		
Vat	1,806,196	1,282,837
Suspence Creditors	466,319	552,654
	<u>2,072,515</u>	<u>1,835,491</u>

# !KHEIS MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005

### 14. Assessment Rates:

		,2004/2005	,2003/2004
	Valuation as at 2002/07/01	Actual Income 2004/2005	Actual Income 2003/2004
Buildings	15,124,540	327,433	321,878

Valuation of land are performed every five years and the last general valuation was done on 2/8/97.  
The basic rate was 0,0196 per Rand on residential land and 0,0196 per Rand on businesserven. A rebate of 20% was granted to Government institutions.

### 15 Councillors' Remuneration:

Mayor	123,798	116,950
Councillors	180,282	168,440
Pension contributions of Councillors	19,377	62,625
	<u>323,457</u>	<u>348,015</u>

### 16 Auditors' Remuneration:

Audit fees	-	-
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### 17 Financial transactions:

#### Total external interest earned and paid

Interest earned: Investments	-	-
Interest paid	-	-

#### Capital charges debited to operating account

Interest: External	55,591	33,568
Interest: Internal	-	-
Redemption: External	86,270	45,420
Redemption: Internal	-	-
Plus redemption: Redemption fund	-	-
	<u>141,861</u>	<u>78,988</u>

### 18 Appropriations:

<i>Appropriation account</i>		
Operating (deficit)/surplus at the beginning of the year	266,710	357,780
Operating (deficit)/surplus for the year	-415,291	-338,688
Appropriation for the year	-75,866	247,819
	<u>-224,447</u>	<u>266,710</u>
<i>Operating account</i>		
Fixed assets	38,854	164,360
Contribution to : revolving Fund	24,141	26,837
	-	-
	<u>62,995</u>	<u>191,197</u>

# IKHEIS MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005

	, 2004/2005	, 2003/2004
<b>19 Cash generated by operations:</b>		
Surplus/ (Deficit) for the year	-415,291	-338,688
Adjustments in respect of previous years' operating transactions	-75,866	247,619
Appropriations charged against income:	62,995	191,197
Capital Expenditure	38,854	164,360
Revolving Fund	24,141	26,837
Provisions and reserves	-	-
Fixed Assets	-	-
Capital Charges	141,861	78,988
Interest paid	-	-
Internal Funds	-	-
External loans	55,591	33,568
Redemption:	-	-
Internal Funds	-	-
External loans	86,270	45,420
Deferred charges written off	-	-
Investment income (operating account)	-	-
Non-operating income	3,234,049	124,942
Non-operating expenditure charged against:		
- Accumulated funds	-	-
- Provisions and reserves	-809,342	-
- Deferred charges	-	-
	<u>2,138,406</u>	<u>304,057</u>
<b>20. (Increase) /Decrease in working capital</b>		
(Increase) /Decrease in stock	-	-
(Increase) / Decrease in debtors	-557,469	-1,983,594
Increase/(Decrease) in advances	-	-
Increase/ (Decrease) in creditors	241,514	973,114
	<u>-315,955</u>	<u>-990,480</u>
<b>21. Increase/(Decrease) in long-term loans (External)</b>		
Loans raised	-	1,059,021
Loans repaid	281,127	109,898
	<u>-281,127</u>	<u>949,123</u>
<b>22 (Increase) /Decrease in external investments</b>		
Investments made	-1,170,063	-306,897
Investments withdrawn	-	-
	<u>-1,170,063</u>	<u>-306,897</u>
<b>23 (Increase) /Decrease in cash on hand</b>		
Cash balances at the beginning of the year	231,117	526,937
Less: Cash balances at the end of the year	608,089	231,117
	<u>376,972</u>	<u>758,054</u>

# IKHEIS MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005

,2004/2005

,2003/2004

### 24 Retirement Benefits

The officials are members of the Cape Joint Pension Fund, Imatu and SAMWU. The actuarial valuation can be provided on request.

### 25 Contingent liabilities and contractual obligations

The Council has no contingent liabilities.

### 26 Capital Commitments

Commitments in respect of capital expenditure

Approved and contracted

Approved but not contracted

-	-
-	-
-	-

This expenditure will be financed from:

Internal sources

External sources

-	-
-	-
-	-

### 27 Consolidated Loans Fund

Outstanding advances to borrowing services

External loans (see Appendix B)

Internal investments (surplus funds)

Creditors

-	-
-	-
-	-

Less:

Deferred charges

Debtors

Temporary advances

-	-
-	-
-	-
-	-

( Refer to appendix B for more detail)

Net expenditure charged to borrowing services  
at a average rate of %

Interest paid on external loans

Deferred charges written off

Administration charges

-	-
-	-
-	-

Less: Interest earned on external investments

-	-
-	-
-	-

### 28 Revolving Fund

Outstanding advances to borrowing services

Accumulated funds

740,800

700,414

Less: Internal advances to borrowing services

-	-
740,900	700,414



# IKHEIS MUNICIPALITY

## APPENDIX A ACCUMULATED FUNDS, TRUST FUNDS RESERVES AND PROVISIONS AS AT 30 JUNE 2005

	Balance at 30/6/2004	Contributions during the year	Interest on investments	Other Income	Expenditure during the year	Balance at 30/6/2005
	R	R	R	R	R	R
<b>Accumulated Funds:</b>						
Revolving Fund	700,414	24,141	-	16,345	-	740,900
	-	-	-	-	-	-
	700,414	24,141	-	16,345	-	740,900
<b>Trust funds:</b>						
EPWP Project	-	-	-	450,000	197,612	252,388
DWAF - Water	-	-	-	528,859	285,739	243,120
One Stop Service Centre	-	-	-	1,032,366	-	1,032,366
Financial Management Grant	-	-	-	250,000	243,135	6,865
Siyanda DM -Lightning project	-	-	-	341,193	-	341,193
SJG Kruger - House Wagdraai	-	-	-	8,000	-	8,000
Upgrading Water Purification 04	-	-	-	183,596	50,774	132,822
IDP	-	-	-	63,071	32,082	30,989
	-	-	-	2,857,085	809,342	2,047,743
<b>Reserves:</b>						
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Provisions:</b>						
Bad debts	3,044,441	358,892	-	-	-	3,403,333
Less :Transferred debtors	-3,044,441	-358,892	-	-	-	-3,403,333
Leave accruals	-	-	-	134,352	-	134,352
	-	-	-	-	-	-
	0	-	-	134,352	-	134,352
	700,414	24,141	-	3,007,782	809,342	2,922,995

# IKHEIS MUNICIPALITY

## APPENDIX B EXTERNAL LOANS AND INTERNAL ADVANCES

	Balance at 30/6/2004	Received during the year	Redeemed Written off	Balance at 30/6/2005
<b>EXTERNAL LOANS</b>				
Development Bank of SA	-	-	-	-
ABSA	438,741	-	83,890	354,851
BMW Finance	353,282	-	70,211	283,071
E&D Elektries	157,100	-	127,026	30,074
	949,123	-	281,127	667,996
<b>INTERNAL LOANS</b>				
Revolving Fund	-	-	-	-
	-	-	-	-

# IKHEIS MUNICIPALITY

## APPENDIX C ANALYSIS OF FIXED ASSETS

Expenditure 2004	SERVICE	Budget 2005	Balance 30/6/2004	Expenditure 2005	Written off or disposed of during year	Balance 30/6/2005
820,289	Rates and General Services	5,909,371	7,454,536	692,542	-	8,147,177
650,289	Community Services	3,380,922	4,554,524	555,342	-	5,139,866
-	Land	20,000	29,232	-	-	29,232
208,414	Buildings	132,000	601,469	11,840	-	703,309
86,956	Equipment	-	255,673	62,580	-	318,553
-	Public Works	1,482,922	25,112	53,101	-	88,218
-	Vehicles	-	183,290	427,521	-	910,611
-	Caravan Park	-	22,407	-	-	22,407
164,343	Other	1,766,000	3,022,534	-	-	3,322,634
-	Furniture	-	88,227	-	-	88,227
220,574	Public Services	-	-	-	-	-
-	Vehicles	-	245,574	-	-	245,574
-	Subsidized Services	-	-	-	-	-
-	Economic Services	2,628,448	2,890,011	127,300	-	3,017,311
-	Sewerage	2,388,448	-	-	-	-
-	Sanitation Equipment	140,000	2,890,011	127,300	-	3,017,311
-	Housing Services	6,499,165	-	-	-	-
-	Sub Economic Housing	6,499,165	-	-	-	-
-	Trading Services	1,361,687	2,791,270	-	-	2,791,270
-	Water	1,361,687	2,791,270	-	-	2,791,270
630,289	TOTAL FIXED ASSETS	13,770,203	10,245,805	692,542	-	10,859,447
-	Less Loans redeemed and other capital receipts	13,770,203	-9,900,238	-351,381	-	-10,251,629
-	-Loans redeemed and advances paid back	13,770,203	-9,900,238	-351,381	-	-10,251,629
-	-Grants and subsidies	-	-425,538	-88,270	-	-511,808
-	-Contribution ex operating income	-	-8,995,765	-225,267	-	-9,222,033
-	-Contribution from the public	-	-473,924	-36,854	-	-517,788
-	Net Fixed Assets	-	345,567	341,261	-	606,818

# IKHEIS MUNICIPALITY

## APPENDIX D Analysis of Operating Income and Expenditure for the year ending 30 June 2005

Actual 2004 R		Actual 2005 R	Budget 2005 R
<b>Income</b>			
4,064,821	Grants and subsidies Provincial Government	4,543,220	4,545,000
2,547,578	Operating Income	3,690,250	4,830,416
321,879	Property Tax	327,433	327,433
1,169,299	Sale of water	1,427,061	1,303,630
-	Sale of electricity	-	-
1,056,400	Other services	1,935,756	3,199,353
<u>6,612,399</u>		<u>8,233,470</u>	<u>9,375,416</u>
<b>Expenditure</b>			
3,041,311	Salaries, wages and allowances	3,096,654	3,169,720
3,277,380	General expenditure	4,473,181	4,426,577
-	- Purchase of electricity	-	-
88,799	- Purchase of water	211,167	100,000
3,188,581	- Other general expenses	4,262,014	4,326,577
362,211	Repairs and maintenance	481,864	404,570
78,988	Capital charges	142,503	301,969
-	Provisions	-	-
164,360	Contributions to fixed assets	38,854	623,540
26,837	Contributions	415,705	449,032
<u>6,851,088</u>	<b>Gross expenditure</b>	<u>8,648,761</u>	<u>9,375,408</u>

# IKHEIS MUNICIPALITY

## APPENDIX E DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

Actual Income 2004 R	Actual Expenditure 2004 R	Surplus/ (Deficit) 2004 R		Actual Income 2005 R	Actual Expenditure 2005 R	Surplus/ (Deficit) 2005 R	Budget Surplus/ (Deficit) R
5,443,100	5,808,929	-365,829	Rates and General services	6,806,409	7,115,533	-309,124	-5,201
4,543,913	5,456,991	-912,748	Community Services	5,323,792	6,808,283	-1,482,491	-1,313,010
4,583,529	4,109,822	473,707	Property Tax	5,219,109	5,031,160	187,929	280,489
-	687,682	-687,682	Council General Cost	-	816,778	-816,778	-704,758
9,791	657,054	-647,273	Public Works	10,487	1,158,325	-1,147,858	-1,005,371
-49,397	2,103	-51,500	Licensing/Traffic	94,216	-	94,216	116,650
-	-	-		-	-	-	-
-	-	-	Subsidized Services	-	-	-	-
-	-	-		-	-	-	-
896,187	353,268	545,919	Economic Services	1,462,617	309,250	1,173,367	1,307,809
899,187	353,258	545,919	Refuse/Sanitation	1,482,617	309,250	1,173,367	1,307,809
-	-	-		-	-	-	-
-	-	-	Housing Services	-	-	-	-
1,169,299	1,141,158	28,141	Trading Services	1,427,061	1,533,228	-106,167	5,209
1,169,299	1,141,158	28,141	Water	1,427,061	1,533,228	-106,167	5,209
-	-	-		-	-	-	-
6,612,399	6,951,087	-338,688	Total	8,233,470	8,648,761	-415,291	8
		247,519	Appropriations for the year (Refer note 10)			-75,866	
		-91,070	Net surplus/(deficit) for the year			-491,157	
		357,780	Accumulated surplus/(deficit) beginning of the year			266,710	
		266,710	Accumulated surplus/(deficit) end of year			-224,447	

# !KHEIS MUNICIPALITY

## APPENDIX F

	2004/2005	2003/2004
<b>General Statistics</b>		
Population	16027	16027
Registered voters	7470	7470
Total Valuations		
- Taxable Properties	16426140	16426140
- Non-Taxable Properties	268950	268950
- Residential Properties	8803140	8803140
- Commercial Properties	5462000	5462000
Number		
- Residential	1993	1993
- Commercial	35	35
- Government	16	16
- Municipal	11	11
- Non-Taxable Properties	1857	1857
Assessment Rates (cent per Rand)		
- Basic (per rand)	1.99/R1	1.96/R1
- Discount: Government	20%	20%
Number of Employees	35	35
<b>Water statistics</b>		
Units bought	Not metered	Not metered
Units sold		333332
Units lost	Not metered	Not metered
Units lost as % units bought		
Cost per unit sold - Basic charge	R 14.00	R 13.00
- Purified water		
0-6kl	R 1.72	R 1.61
7-15kl	R 2.07	R 1.93
16-40kl	R 2.30	R 2.15
41+kl	R 2.88	R 2.68
- Unpurified (Self pumped)	R 0.04	R 0.04

TO/AAN: Provincial Treasury

ATTENTION/AANDAG: Mr. Timothy Sediti

FAX/FAKS NO: (053) 833 1674

DATE/DATUM: 19 September 2005

FROM/VAN: Mr. J. Blom

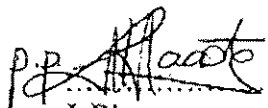
TEL NO: (054) 833 9500

FAX/FAKS NO: (054) 833 9509

**MESSAGE : Mr. J. Blom**  
**BOODSKAP**

Please hereby receive the financial statements of !Kheis Municipality for the year ended 30 June 2005.

I trust on your prompt respond in this regard.

.....

J. Blom  
(Director of Corporate Services)